## WTO and Agriculture

## What's at Stake for Illinois?

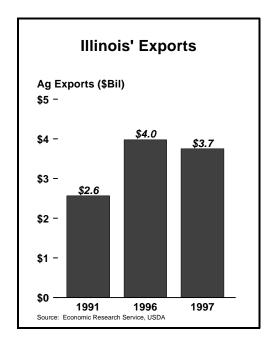
Illinois is one of the leading producers of agricultural products and a major exporter. In 1997, Illinois ranked 3rd among all 50 states in the value of its agricultural exports. The state's exports reached an estimated \$3.7 billion, up from \$2.6 billion in 1991. These exports help boost farm prices and income, while supporting about 63,700 jobs both on the farm and off the farm in food processing, transportation and manufacturing. Exports are increasingly important to Illinois' agricultural and state-wide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports rose from 34% to 40% since 1991.

Illinois' top five agricultural exports in 1997 were:

- # soybeans and products -- \$1.5 billion
- # feed grains and products -- \$1.3 billion
- # live animals and red meats -- \$213 million
- # wheat and products -- \$151 million
- # feeds and fodders -- \$90 million

World demand for these products is increasing, but so is competition among suppliers. If Illinois farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.

## Illinois Producers Benefit from Trade Agreements



Illinois is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of new market opportunities for Illinois include:

- # Illinois, the nation's 2nd largest feed corn producer, continues to benefit under the Uruguay Round as Japan increases its 3.75-million-ton zero duty quota for feed corn by 450,000 tons in 2000. South Korea is lowering its in-quota tariff on feed corn and popcorn from 3% to 1.8% from 1995 to 2005. Korea will also reduce tariffs on mixed animal feeds from 7% to 4.2%.
- # The nation's 2nd largest soybean producer, Illinois benefits under the Uruguay Round as Japan reduces its tariffs on soybean oil 36% by 2000. Indonesia agreed to eliminate its blending requirement for soybean meal by 1998.
- # The nation's 4th largest pork producer, Illinois benefits under the Uruguay Round as EU export subsidies for pork are cut 21% (volume) by 2000. Korea eliminated all volume restrictions for frozen pork, and the 33% tariff will fall to 25% by 2004. Japan is reducing its minimum import price for pork 29% by 2000. Under NAFTA, Canada's and Mexico's duty-free treatment for pork helps U.S. exporters increase market presence.